

Objection Deadline: December 17, 2008 at 4:00 p.m.
Hearing Date: December 22, 2008 at 10:00 a.m.

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L.P., Crossmark Investment Company, L.P.,
Crossmark Corporate Investors, L.P., and
Crossmark Corporate Investors II, L.P.**

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

	X	
	§	
In re:	§	
	§	Chapter 11
LEHMAN BROTHERS HOLDINGS INC.,	§	
	§	Case No. 08-13555 (JMP)
Debtor.	§	
	X	

**STATEMENT AND RESERVATION OF RIGHTS WITH RESPECT TO THE
PROPOSED SALE OF INVESTMENT MANAGEMENT DIVISION**

[Relates to Docket Nos. 694, 943, 1175, & 2135]

Crossmark Investment Advisers, L.P. f/k/a Crossroads Investment Advisers, L.P.,
Crossmark Corporate Advisers, L.P. f/k/a Crossroads Corporate Advisers, Crossmark
Cornerstone Partners, L.P. f/k/a Crossroads Cornerstone Partners, L.P., Financial Analytics, L.P.
f/k/a Capital Analytics, L.P., Crossmark Investment Company, L.P. f/k/a Crossroads Investment

Company, L.P., Crossmark Corporate Investors, L.P. f/k/a Crossroads Corporate Investors, L.P., and Crossmark Corporate Investors II, L.P. f/k/a Crossroads Corporate Investors II, L.P. (collectively, "Crossmark") file this Statement in connection with the Motion to (a) Establish Sales Procedures; (b) Approve a Seller Termination Fee and a Reimbursement Amount; and (c) Approve the Sale of the Purchased Assets and the Assumption and Assignment of Contracts Relating to the Purchased Assets (the "Sale Motion") filed by Lehman Brothers Holding, Inc. ("LBHI").

BACKGROUND

1. Crossmark is a private equity investment management firm founded in 1981 and located in Dallas, Texas. In 2003, non-debtor Lehman Brothers Private Funds Investment Company LP, LLC ("PFIC") purchased substantially all of the assets of certain subsidiary entities of Crossmark (the "Crossroads Non-Debtor Subsidiaries"). Following the 2003 sale of the assets of the Crossroads Non-Debtor Subsidiaries, the entities changed names to Crossmark.

2. By the Sale Motion, LBHI seeks authority to sell assets, owned, held, or used primarily in connection with the investment management division ("IMD") of its business (the "IMD Sale"). The IMD Sale, as currently proposed, includes the transfer of the assets of and equity in PFIC and the Crossroads Non-Debtor Subsidiaries to NBSH Acquisition, LLC ("NBSH" or "Management").¹ NBSH is a newly formed entity comprised of members of current management of IMD.²

3. On December 3, 2008, in accordance with the Bid Procedures Order, LBHI conducted an auction for the sale of the IMD assets.

¹ See Schedule 1.1(c) to the Unit Purchase Agreement between Lehman Brothers Holding, Inc. and NBSH Acquisition, LLC (the "Management Unit Agreement") dated December 1, 2008.

² Mgmt. Unit Agmt. 1 ("the Company is a newly formed Delaware limited liability company formed by certain senior managers (other than portfolio managers) of the Business for the purpose of consummating the transactions contemplated by this Agreement").

4. On December 9, 2008, the Debtors filed their Notice indicating that NBSH was the successful bidder and attached a Unit Purchase Agreement between LBHI and NBSH (the "Management Agreement") dated December 1, 2008.

5. Crossmark presently understands the Management Unit Purchase Agreement to provide for the transfer of the equity of PFIC by LBHI to NBSH. The Crossroads Non-Debtor Subsidiaries are included businesses and funds listed on Schedule 1.1(c) to the Management Unit Agreement. The Management Unit Agreement further provides that "LBHI shall, and shall cause its Subsidiaries to sell, transfer, and assign to [NBSH], pursuant to the Sale Order (i) all the outstanding equity interests of each Business Entity, in each case free and clear of all Liens."³ Crossmark's principal obligor, PFIC, is a Business Entity listed on Schedule I to the Management Unit Agreement. Accordingly, under the Management Unit Agreement, LBHI will transfer PFIC's equity to NBSH.

6. To date, the Debtors have not filed a proposed sale order in connection with the sale of the IMD assets to NBSH. The hearing on the Sale Motion (the "Sale Hearing") is currently scheduled for December 22, 2008 at 10:00 a.m.

STATEMENT IN RESPONSE

7. In light of the pending Sale Hearing, Crossmark requires the opportunity to review the proposed sale order (as contemplated by the Court-approved bid procedures) that the Debtors anticipate entering at the conclusion of the Sale Hearing to allow Crossmark to determine with certainty that NBSH is assuming the obligations owed to Crossmark.

³ Mgmt Unit Agmt. 21.

RESERVATION OF RIGHTS

Crossmark reserves the right to amend, supplement, or otherwise revise the foregoing until after it has a chance to review the proposed sale order in connection with the IMD Sale.

DATED: New York, New York
December 17, 2008.

Respectfully submitted,

By: /s/ Ira L. Herman

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